



General Assembly

**Substitute Bill No. 437**

February Session, 2006

\* SB00437FIN\_\_032806\_\_ \*

**AN ACT INCREASING THE CONNECTICUT HOUSING FINANCE  
AUTHORITY'S UNINSURED PERMANENT MORTGAGE CAP.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-251 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) In order to provide additional construction and permanent  
4 financing for housing in this state, the authority is authorized to make  
5 commitments to purchase, and to purchase, service and sell mortgages  
6 and to make loans directly upon the security of any mortgage, and to  
7 make commitments to purchase, and to purchase and sell participation  
8 sale certificates representing interests in mortgages, provided the  
9 underlying mortgage loans shall have been made and shall be used  
10 solely to finance or refinance the construction, rehabilitation, purchase  
11 or leasing of housing in this state, and provided further the aggregate  
12 amount of permanent mortgages, mortgage-backed securities and  
13 participation sale certificates representing interests in mortgages  
14 purchased, and permanent loans made by the authority which are not  
15 directly or indirectly insured or guaranteed by any department,  
16 agency, instrumentality of the United States of America, or public  
17 corporation chartered by the Congress of the United States, including  
18 but not limited to the Federal Home Loan Mortgage Corporation, or  
19 which are not insured or guaranteed by any department, agency or

20 instrumentality of the state, any insurance company licensed to do  
 21 business in the state and authorized to underwrite mortgage insurance  
 22 or by the authority shall not at any one time exceed [seven hundred  
 23 fifty million] one billion dollars.

24 (b) For the purpose of encouraging balanced community  
 25 development in urban areas and increasing the supply and availability  
 26 of mortgage financing for the residents of urban areas, the authority is  
 27 authorized to make commitments to purchase, and to purchase, urban  
 28 area mortgages or to make loans directly upon the security of urban  
 29 area mortgages or to make loans for, or to purchase, urban area  
 30 mortgages under terms and conditions requiring the proceeds thereof  
 31 to be used for the making of additional urban area mortgages, subject  
 32 to the provisions of section 8-250.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	8-251

**FIN**            *Joint Favorable Subst.*